NSDL
Technology, Trust & Reach

Participant Services Circular

Circular No.: NSDL/POLICY/2026/0162 October 23, 2026

Subject: Revised Operational Guidelines on Handling of Clients' Securities by Trading Members (TM) / Clearing Members (CM)- Client Unpaid Securities Pledgee Account (CUSPA)

Attention of Participants is invited to the NSDL circular no. NSDL/POLICY/2022/159 dated November 14, 2022, and Circular No. NSDL/POLICY/2024/0080 dated June 12, 2024 in view of SEBI circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2022/153 dated November 11, 2022, as well as NSDL circular no. NSDL/POLICY/2026/0097 dated July , 06, 2026 in view of SEBI circular no. HO/38/11/(9)2026-MIRSD-POD/I/15382/2026 dated July 03, 2026 regarding Handling of Clients' Securities by Trading Members/Clearing Members – Client Unpaid Securities Pledgee Account (CUSPA).

In the aforesaid SEBI circular, the following guidelines are mentioned:

- **Clause 46.10:** In case the pledge on unpaid securities is neither invoked nor released within five trading days after pay-out, the CUSPA pledge shall be automatically released by the depositories at the end of the sixth trading day after pay-out date, and the securities shall become available to the client as free balance without any encumbrance.

  It is further clarified that the TM may request release of the CUSPA pledge at any time before its auto-release by the depository.

Further, based on the above guidelines, the following changes will be incorporated in the NSDL Depository System:

1. **Unilateral Closure Instruction:**
   - TMs/CMs shall be able to execute a Unilateral Closure Instruction and release the CUSPA pledge at any time before the auto-release of the CUSPA pledge by the NSDL Depository System.
   - Unilateral Closure Instructions shall be accepted up to the end of the sixth trading day after the pay-out of unpaid securities.
2. **Invocation of CUSPA Pledge:**
   - TMs/CMs shall be able to invoke the CUSPA pledge within only five trading days after the pay-out of unpaid securities only against the client's delivery obligation.

- Invocation of the CUSPA pledge shall not be permitted on the sixth trading day after the pay-out of unpaid securities.

3. Auto-release of CUSPA Pledge

- In case the pledge on unpaid securities is neither invoked nor released within the prescribed timeline, the NSDL Depository System shall automatically release the CUSPA pledge at the end of the sixth trading day after the pay-out date.
- Upon auto-release, the pledged securities shall be available to the client as free balance.
- CUSPA Pledges created on October 21,2026 and October 22, 2026 shall have the Auto Closure Date set as BOD of the October 31, 2026.
- CUSPA pledges created on or after October 23, 2026, shall have the Auto-Closure Date set as the EOD of the sixth trading day after the pay-out date.

The aforesaid changes will be implemented in NSDL Depository system at EOD of **October 30, 2026.**

Participants are requested to inform their Clients, TM and CM suitably and ensure compliance.

For and on behalf of
National Securities Depository Limited

Rakesh Mehta
Digitally signed by Rakesh Mehta
Date: 2026.10.23 18:41:58 +05'30'

Rakesh Mehta
Vice President

FORTHCOMING COMPLIANCE			
Particulars	**Deadline**	**Manner of sending**	**Reference**
Investor Grievance Report (Monthly)	By 10th of the following month	Through e-PASS	Para 22 of 'Grievance Redressal' chapter and Para 27 of 'Internal Controls/Reporting to NSDL/SEBI' chapter of NSDL Master Circular for Participants
Networth Certificate and Audited Financial Statements. (yearly)	October 31st	Through e-PASS	Para 20.7 of 'Internal Controls/Reporting to NSDL/SEBI' chapter of NSDL Master Circular for Participants
Compliance report w.r.t Same Mobile number and/ or email address captured for multiple accounts. (Monthly)	Before 27th of following month	Through Email.	Para 26 of 'Miscellaneous' chapter of NSDL Master Circular for Participants.
Risk based Supervision of Participants (Half yearly)	April 30th and Oct 31st	Through e-PASS	Para 7 of 'Internal Controls/Reporting to NSDL/SEBI' chapter of NSDL Master Circular for Participants
Cyber Security & Cyber Resilience framework of Depository Participants (Quarterly)	By 15th of the following month.	Through e-PASS	Para 2.66 of 'Internal Controls/Reporting to NSDL/SEBI' chapter of NSDL Master Circular for Participants